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P.O. Box 1045, Bullhead City, AZ 86401

August 30, 2006

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Arizona Corporation Commission

DOCKETED

SEP - 5 2006

The Honorable Janet Napolitano, Governor
Office of the Governor
1700 West Washington Street
Phoenix, Arizona 85007

Re: Electric Service To The Havasupai

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Dear Governor Napolitano:

Concerning Mohave Electric and the Havasupai need for electricity, you have been misinformed, facts have been misrepresented to you, and your office has not fully understood the situation regarding BIA responsibility for delivery of electricity to the Supai Village in the Havasupai Reservation in the Grand Canyon.

1. United States Court of Claims records establish the BIA is an electric utility. During the 1960's and 1970's the BIA delivered and sold electricity at retail to the Supai Village using diesel generators at the top of the Canyon as the source of power. This type of electricity was very unreliable. BIA still delivers electricity to the Havasupai at retail.

2. In 1982 the BIA decided not to continue to generate, abandoned its backup generator, and persuaded Mohave Electric to enter a ten (10) year contract to build a seventy-mile power line across Indian right-of-way and sell BIA electricity at wholesale for BIA retail sale and delivery to meet the needs of the Supai Village and the Havasupai. Mohave still sells electricity at wholesale, and the BIA still purchases and resells it to the Indians.

3. Concerning the Havasupai, Mohave Electric has never at any time nor under any circumstance nor in any way had responsibility for the maintenance or operation of the BIA owned electric utility to deliver electricity from the top of the Canyon (the Long Mesa substation) to the bottom of the Canyon to the Havasupai. This duty to deliver electricity to the Havasupai has always been a federal BIA obligation affecting the health, safety and welfare of the Havasupai and the Supai Village. Funding responsibility for this retail electric utility service belongs to and is the responsibility of the United States because the utility is owned and operated by the BIA and this is a federal matter.

4. Until the contract was terminated by the BIA, Mohave Electric was paid from 1982 to 1992 to maintain the seventy-mile line from its Nelson substation to the Long Mesa substation. The BIA refused to renew the contract. It refused to pay for repairs. Fortunately for the BIA and the Havasupai, the seventy-mile line across the Indian reservations is very well constructed and reliable.

5. In a meeting over a year ago at the Arizona Corporation Commission before the Honorable Marc Spitzer, then Chairman of the ACC (now Commissioner of the FERC), the ACC Utility Director and its Legal Counsel, Mohave, APS, and UniSource agreed that if, as and when the seventy-mile line, which had been conveyed by Mohave to the BIA and the Tribes (to divide as they determine), needed repairs, on condition the BIA (or the tribes) would pay for the repairs, one of those three utilities would repair the line. The BIA subsequently agreed. At one point a BIA sister federal agency, the Western Area Power Administration, agreed to take over operation of the seventy-mile line. Western stated that its only condition was it be paid by BIA for the repair and maintenance. The BIA refused to pay. Western refused to proceed.

6. Subsequently, from time-to-time, the seventy-mile line is in need of repair. Each of the three utilities responds when called by the BIA. The BIA has retained Sturgeon Electric, a well regarded nationally known power line contractor, to repair facilities owned by the BIA in the bottom of the Canyon. During this last summer there were instances (due to wind, rain or other weather conditions) when the seventy-mile line needed some repair. Whenever notified, one of the three utilities promptly responded and caused the repairs to be made and the BIA paid for them. These occurrences have nothing to do with ultimate responsibility for retail BIA electric service to the Supai. The BIA discarded its back-up generators which could supply power in emergencies.

In conclusion, BIA has conducted a nefarious public relations campaign to cast aspersions on the character and reputation of Mohave Electric Cooperative and its members while at the same time seeking to avoid its trust duties and responsibilities to the Indians and to shift an unfunded federal mandate (to serve the Indians) from the federal Treasury to the unwilling backs of the Mohave Electric membership.

We look forward to working with your offices. We are presently working at the Arizona Corporation Commission to resolve these issues. However, it is unfair, inequitable and inappropriate to allege that Mohave Electric is, in any way, the cause of the discomfort or threat to health, safety and welfare of the Supai Village and the Havasupai when that is a danger solely attributable to the irresponsible behavior of the BIA in a manifestation of continued failure and refusal to fulfill its fiduciary and trust responsibilities to the Indians.

Sincerely,

MOHAVE ELECTRIC COOPERATIVE, INC.

By: Robert E. Broz
Its Chief Executive Officer 

cc: Honorable Jon Kyl
Lucy Murfitt, Aide to Senator Kyl, Washington, D.C. Office
Andy Jacobs, Aide to Senator Kyl, Local Office

Honorable John McCain
Becky Jensen, Aide to Senator McCain, Washington, D.C. Office
Paul Hickman, Aide to Senator McCain, Local Office
Honorable Trent Franks
Jeff Choudhry, Aide to Congressman Franks, Washington, D.C. Office
Shari Farrington, Aide to Congressman Franks Local Office
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Ernest Johnson, Director of Utilities, ACC
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Jim Arwood, Arizona Department of Commerce
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John Lewis, Inter Tribal Council Arizona
Michael A. Curtis, General Counsel, Mohave Electric Cooperative, Inc.